

The Diversity of Ownership of Construction and All Companies

Ownership of construction companies by women and African-Americans lagged behind these groups' ownership of companies in all industries in 1997, but the proportion of Hispanic ownership in construction exceeded Hispanic ownership of businesses overall. These trends mirror the employment picture in the industry; the proportion of workers who are women or members of racial minorities in construction is lower than in all industries and the share of Hispanic workers in construction is higher. (There likely is some overlap in data showing women and African-Americans, Hispanics, and other minorities.)

In 1997, a total of 2,33,424 construction companies produced \$944 billion in revenues. Among all industries, revenues for 20.8 million nonfarm businesses totaled \$18.6 trillion.

Overall, women owned 5.4 million companies in 1997, 26% of the total. In addition to the companies in which women held a majority ownership, women shared ownership equally with men in an additional 3.6 million businesses – 17% of nonfarm businesses. *The statistics are from the Survey of Minority-Owned Business Enterprises and the Survey of Women-Owned Business Enterprises, reports produced by the economic census program. The publications provide valuable economic data on business owners' race, ethnicity, and gender; the number of companies, sales, and receipts; paid employees; and annual payroll.*

In construction in 1997, women owned 157,173 companies, accounting for 7% of the 2.3 million businesses, employing 518,142 employees, and generating \$67.6 billion in business revenues (chart 9a). Women also owned a 50% share of 345,161 other construction companies in the same year.

Overall, businesses owned by minorities – including African-Americans, Hispanics, and Asians and Pacific Islanders, American Indians, and Alaska Natives – totaled 3 million in 1997, accounting for 14.6% of the nation's total. Minority-owned construction companies totaled 264,227 in 1997, accounting for 11.5% of all construction companies.

Blacks owned 56,508 construction companies, with \$7.7 billion in business revenues. This compares with

823,499 companies in all industries having \$71.2 billion revenues overall, which were owned by this group (chart 9b).

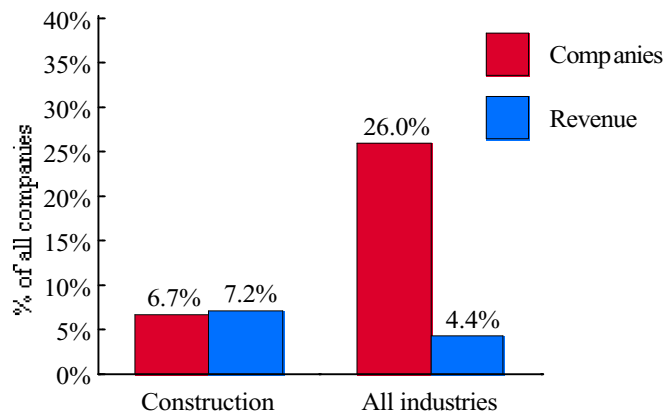
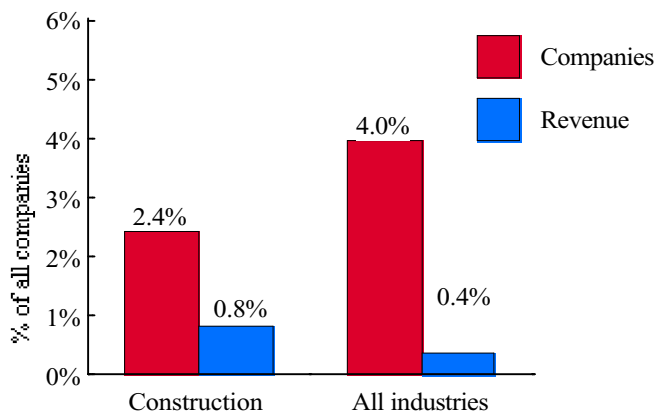
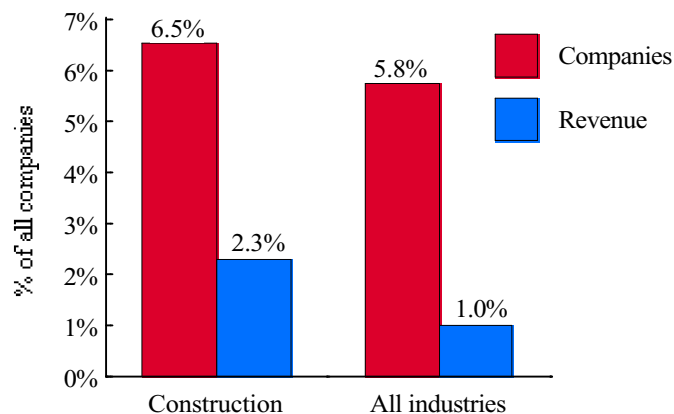
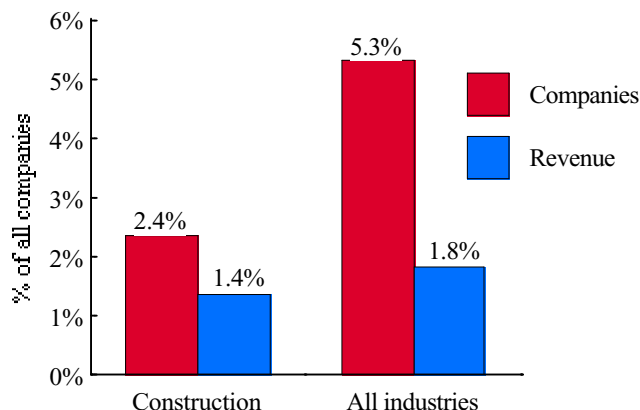
Hispanics owned 152,573 construction companies with \$21.9 billion in business revenues, compared with 1.2 million companies producing \$186.3 billion in business revenues in all industries (chart 9c).

Unlike in previous years, the Economic Census provided data for businesses owned by Asians and Pacific Islanders and for businesses owned by American Indians and Alaska Natives in two separate publications for 1997. Members of these other minority groups owned 55,146 construction companies with \$12.9 billion in business revenues, and 1.1 million companies with \$341.3 billion in business revenues overall (chart 9d).

Because of several changes in survey methodology in 1997, the numbers are not directly comparable to those from previous survey years. The most significant changes were in the treatment of C corporations, which were not included in previous surveys and are included in the category corporations here for 1997.¹

Also, the definition of ownership changed. In the past, ownership was based on the race/ethnicity/gender of the largest number of owners, without regard to the percentage of interest owned in a firm. In the 1997 surveys, the definition of a business as minority- or woman-owned was based on the race/ethnicity/gender of the person owning a majority interest in the business. In previous surveys, if the number of women or minority members was 50% or more of a company's owners, the company would be counted as a woman- or minority-owned company. In the 1997 survey, only a company having 51% or more of its interest owned by women or members of minority groups was counted as a woman- or minority-owned company. Businesses equally owned by male and female or minority and nonminority owners, or having no single majority interest were excluded from the women business counts (or the minority-owned business counts), and tabulated and reported in a separate publication, *Equally Owned Business Statistics*.

1. C corporations, under state laws, are all incorporated businesses, except S corporations.

9a. Women-owned companies as a percentage of the total in construction and in all industries, 1997**9b. Black-owned companies as a percentage of the total in construction and in all industries, 1997****9c. Hispanic-owned companies as a percentage of the total in construction and in all industries, 1997****9d. Other-minority-owned companies as a percentage of the total in construction and in all industries, 1997**

Note: All charts - Data cover private sector only

Chart 9a - Women owned 157,173 of a total of 2.3 million construction companies and 5.5 million of the 20.8 million companies in all industries in 1997, compared with a total of 2.3 million and 20.8 million, respectively.

Chart 9b - Black-owned companies totaled 56,508 in construction and 823,499 overall in 1997.

Chart 9c - Hispanic-owned companies totaled 152,573 in construction and 1.2 million overall.

Chart 9d - "Other minorities" include Alaskan Native, American Indian, Asian, and Pacific Islander.

Source: Chart 9a - Women-Owned Businesses, 1997 Economic Census, Survey of Women-Owned Business Enterprises, Company Statistics Series. Issued March, 2001, EC97CS-2. U.S. Department of Commerce, Economics and Statistics Administration, U.S. Census Bureau (<http://www.census.gov/prod/ec97/e97cs-2.pdf>)

Chart 9b- Black-Owned Businesses, 1997 Economic Census Survey of Black-Owned Business Enterprises, Company Statistics Series. Issued March, 2001, EC97CS-3. U.S. Department of Commerce Economics and Statistics Administration, U.S. Census Bureau (<http://www.census.gov/prod/ec97/e97cs-3.pdf>)

Chart 9c- Hispanic-Owned Business, 1997 Economic Census Survey of Black-Owned Business Enterprises, Company Statistics Series. Issued February, 2001, EC97CS-4. U.S. Department of Commerce Economics and Statistics Administration U.S. Census Bureau (<http://www.census.gov/prod/ec97/e97cs-4.pdf>)

Chart 9d- Asian and Pacific Islanders, 1997 Economic Census, Survey of Minority-Owned Business Enterprises, Company Statistics Series, Issued May, 2001, EC97CS-5. U.S. Department of Commerce, Economics and Statistics Administration U.S. Census Bureau (<http://www.census.gov/prod/ec97/e97cs-5.pdf>); American Indians and Alaska Natives, 1997 Economic Census, Survey of Minority-Owned Business Enterprises, Company Statistics Series, Issued May, 2001, EC97CS-6. U.S. Department of Commerce Economics and Statistics Administration U.S. Census Bureau (<http://www.census.gov/prod/ec97/e97cs-6.pdf>)